

United States Senate
WASHINGTON, DC 20510

June 13, 2014

The Honorable Dianne Feinstein
Chairwoman
Subcommittee on Energy and Water
Development
Senate Appropriations Committee
Senate Dirksen Building, 184
Washington, DC 20510

The Honorable Lamar Alexander
Ranking Member
Subcommittee on Energy and Water
Development
Senate Appropriations Committee
Senate Dirksen Building, 188
Washington, DC 20510

Dear Chairwoman Feinstein and Ranking Member Alexander:

As the subcommittee begins its consideration of an appropriation bill for the agencies within the jurisdiction of the Subcommittee on Energy and Water Development, I respectfully request support for the programs listed below. The funding requested for the national programs is to be spent at the agencies' discretion within the existing budget line and is not intended for any specific business, state, community or other entity. This replaces my original request submitted on April 3, 2014, and includes the amendment submitted on April 7. Please refer to priority #3 for the newly revised request.

Corps of Engineers

1. Title: Navigation, Small, Remote or Subsistence Harbors & Ports

Program Description: New appropriation line to support new start investigations for small, remote and subsistence harbors.

Rationale: Our nation's small ports and harbors are critical to communities and greatly contribute to our country's economic vitality. They are home to fishing fleets, marinas and recreational facilities, and are critical to maintaining and creating jobs. In many communities not connected to a road system, the small port is the economic and cultural lifeline of the community—they have no other options to move goods other than through their port. However, small ports nation-wide remain underfunded. These harbors do not compete well against large ports in major metropolitan areas for limited funds, but are nonetheless critical national and regional investments. Communities without access to the interstate highway system are especially dependent on water-borne transportation.

Fiscal Year 2014 Enacted: \$4 million

Fiscal Year 2015 President's Budget Request: \$0 million

Additional Amount Requested: +\$3 million

Account: Department of Defense – Civil, U.S. Army Corps of Engineers, General Investigations, Navigation – Small, Remote or Subsistence

2. Title: Operations and Maintenance, Small, Remote or Subsistence Harbors & Ports

Program Description: Supports ongoing dredging and maintenance for small, remote and subsistence harbors.

Rationale: Our nation's small ports and harbors are critical to communities and greatly contribute to our country's economic vitality. They are home to fishing fleets, marinas and recreational facilities, and are critical to maintaining and creating jobs. In many communities not connected to a road system, the small port is the economic and cultural lifeline of the community—they have no other options to move goods other than through their port. However, small ports nation-wide remain underfunded. These harbors do not compete well against large ports in major metropolitan areas for limited maintenance funds, but are nonetheless critical national and regional investments. Communities without access to the interstate highway system are especially dependent on water-borne transportation. Appropriations to complete ongoing work creates efficiencies and cost savings, rather than stops and restarts.

Fiscal Year 2014 Enacted: \$40 million

Fiscal Year 2015 President's Budget Request: \$0 million

Additional Amount Requested: + \$40 million

Account: Department of Defense – Civil, U.S. Army Corps of Engineers, Operations and Maintenance, Small, Remote or Subsistence Navigation

3. Title: General Construction – Small Navigation Projects (Section 107)

Program Description: Authorizes the U.S. Army Corps of Engineers to develop and construct small navigation project

Rationale: Infrastructure improvements in our nation's small ports nationwide remain underfunded. These harbors do not compete well against large ports in the metropolitan areas for limited funds. Alaska's coastal communities, in particular, are entirely dependent on activity generated in their ports. When taken together, our regional system of ports and harbors help drive the Alaska economy and contribute to the economic strength of the Nation. In many communities not connected to the road system, the small port is the economic and cultural lifeline of the community—they have no other options to move goods other than through their port.

The Senate version of the *Water Resources and Reform Development Act* included expanded authority for Remote and Subsistence Harbors. The Conference Agreement, in contrast, eliminated this expanded authority. It instead expanded the scope of the Section 107 Small Navigation Projects authority. I believe this expanded authority now makes Section 107 a viable federal program for Alaska's small ports. I am therefore revising my April 7 request to ask the Subcommittee to increase the Section 107 Continuing Authorities program to \$20 million annually. This will allow the small ports throughout the nation to be treated equitably in the scarce allocation of Army Corps construction dollars. This is similar to the approach the Subcommittee has taken in recent years to allocate a portion of O&M dredging funds to small, rural, or subsistence harbors.

Fiscal Year 2014 Enacted: \$4.7 million

Fiscal Year 2015 President's Budget Request: \$0 million

Additional Amount Requested: + \$20 million

Account: Department of Defense – Civil, U.S. Army Corps of Engineers, Construction, Continuing Authorities Program, Navigation Program (Section 107)

Independent Agencies

4. Title: Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects

Program Description: The Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects (OFC), established by Public Law 108-324, is an independent agency in the Executive Branch, pursuant to the *Alaska Natural Gas Pipeline Act of 2004*. The OFC is responsible for coordinating all federal activities for an Alaska natural gas pipeline project, including joint surveillance and monitoring with the State of Alaska during construction and for one year following the completion of the project.

Fiscal Year 2014 Enacted: \$1 million

Fiscal Year 2015 President's Budget Request: 0

Additional Amount Requested: \$1 million

Language: The suggested bill language attached would adjust the mission of the OFC to work on an All-Alaska project. The language amends the definition of a qualifying project and also provides strict timelines on the Environmental Impact Statement process for the All-Alaska project.

Account: Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects

Rationale: Additional funding will ensure the office has the appropriate resources to carry out its projected work, in accordance with existing law, in Fiscal Year 2015. Project sponsors will be working towards submitting an application to the Federal Energy Regulatory Commission to build and operate a pipeline for moving North Slope gas to the market. The office will be responsible for coordinating all activities of relevant agencies.

5. Title: Denali Commission

Program Description: The Denali Commission was established by the Denali Commission Act of 1998 (P.L. 105-277). The Commission's mission is to promote and provide sustainable infrastructure improvement, job training, and other economic development services that improve health, safety, and economic self-sufficiency within rural communities in Alaska. In 2015, the Commission will continue to coordinate cost-shared utilities and infrastructure projects with a focus on the most distressed communities. The 2015 Budget proposes to continue a 50% matching requirement to the Commission's funding of construction projects. This provision, common to other Federal regional economic development agencies, ensures that communities have a stake in their Commission funded projects. Grants to distressed communities will have a lower

matching requirement (20%). This match may be provided by the State of Alaska. In order to improve performance measures, in 2015 the Commission will continue to place an emphasis on gathering output and outcome results from its program partners and grantees.

Fiscal Year 2014 Enacted: \$10 million

Fiscal Year 2015 President's Budget Request: \$7.396 million

Additional Amount Requested: Support the President's Budget

Account: Independent Agencies, Denali Commission

Department of Energy, Energy Programs

6. Title: Office of Indian Energy Policy and Programs

Program Description: The Office of Indian Energy is charged by Congress to direct, foster, coordinate, and implement energy planning, education, management, and programs that assist tribes with energy development, capacity building, energy infrastructure, energy costs, and electrification of Indian lands and homes. The Office of Indian Energy works within the Department of Energy, across government agencies, and with Indian tribes and organizations to promote Indian energy policies and initiatives. The Office of Indian Energy performs these functions within the scope of the Department of Energy's mission and consistently with the federal government's trust responsibility, tribal self-determination policy and government-to-government relationship with Indian tribes. The President's Budget Request for Fiscal Year 2015 proposes to consolidate several programs under this office, including weatherization.

Fiscal Year 2014 Enacted: \$2.5 million

Fiscal Year 2015 President's Budget Request: \$16 million

Additional Amount Requested: Support the President's Budget

Account: Department of Energy, Energy Programs, Office of Indian Energy Policy and Programs.

Finally, I support all of the U.S. Army Corps of Engineers projects in each appropriation account for the State of Alaska as requested by the President's Budget for Fiscal Year 2015 and urge the Subcommittee's retention of appropriations for those projects.

Thank you for your consideration of these requests. Please do not hesitate to contact my staff, Cory Turner, at (202) 224-3004 if additional information is required.

Sincerely,



Mark Begich
United States Senator